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Commissioner

April 30, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00129
Whitley County Water District #1

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 30, 2008.

Executive Director

SS/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT) CASE NO.
OF WHITLEY COUNTY WATER) 2008-00129
DISTRICT

ORDER

On April 7, 2008, Whitley County Water District ("Whitley District") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Whitley District purchases water from the city of Corbin ("Corbin"), the city of Williamsburg ("Williamsburg"), McCreary County Water District ("McCreary District"), and the city of Jellico, Tennessee ("Jellico").

2. Jellico notified Whitley District that, effective June 1, 2007, Jellico's wholesale rate to Whitley District would increase from \$2.50 per 1,000 gallons to \$3.15 per 1,000 gallons for usage up to 2,700,000 gallons and from \$3.00 per 1,000 gallons to \$3.75 per 1,000 gallons for usage above 2,700,000 gallons.

3. Whitley District proposed a purchased water adjustment factor of \$0.25 per 1,000 gallons.

4. During the 12 months ended December 31, 2007, Whitley District purchased 78,365,000 gallons of water from Corbin; 104,455,000 gallons from Williamsburg; 1,451,800 gallons from McCreary District; and 51,461,800 gallons from

Jellico. The increase in the cost of purchased water is \$35,356, resulting in a purchased water adjustment factor of \$0.25 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.25 per 1,000 gallons is fair, just, and reasonable and should be approved.

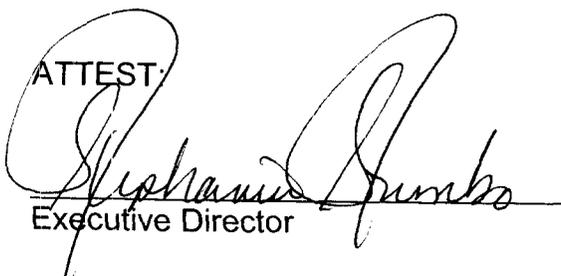
IT IS THEREFORE ORDERED that:

1. The rates proposed by Whitley District are approved.
2. The purchased water adjustment factor of \$0.25 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for service rendered on or after June 1, 2008.
4. Within 20 days of the date of this Order, Whitley District shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 30th day of April, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00129 DATED APRIL 30, 2008

	Base Rate	New Rate
City of Jellico, TN		
Purchases in gallons	51,461,800	51,461,800
Volumetric rate		
1 st 2,700,000	\$ 2.50/1,000	\$ 3.15/1,000
Over 2,700,000	<u>\$ 3.00/1,000</u>	<u>\$ 3.75/1,000</u>
	\$173,542	\$138,135
		Increased water cost 35,356
City of Corbin		
Purchases in gallons	78,365,000	
No change in rate		
City of Williamsburg		
Purchases in gallons	104,455,000	
No change in rate		
McCreary County Water District		
Purchases in gallons	1,784,400	
No change in rate		
Increased water cost		\$ 35,356
Divided by gallons sold		<u>144,609,200</u>
Purchased water adjustment factor		\$0.25 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00129 DATED APRIL 30, 2008

The following rates and charges are prescribed for the customers in the area served by Whitley County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First	1,000 gallons	\$ 19.18	Minimum Bill
Next	4,000 gallons	6.64	per 1,000 gallons
Next	95,000 gallons	6.22	per 1,000 gallons
Over	100,000 gallons	5.67	per 1,000 gallons